

TANF Experience, Exits, and Returns

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This report describes results from the **WorkFirst Study** (WFS). The study sample of 3045 families was drawn from the statewide list of adults receiving welfare assistance in March 1999. Respondents completed a telephone survey that gathered information on work, education, family, and economic well-being.

The focus of this report is the TANF experiences of the WFS respondents. The report describes how long the respondents had been on TANF before March 1999, how many respondents left before March 2000, how many returned to TANF, and the characteristics and employment experiences of leavers and stayers.

Findings:

- **All WFS respondents received TANF in March 1999, but by March 2000 half of the sample were no longer receiving TANF.**
- **Most WFS respondents left TANF for at least two consecutive months between March 1999 and March 2000 (57 percent).** This rate of exit is almost double the rate found in the 1988 Family Income Study.
- **Those who left TANF: had fewer months of TANF receipt, more education, more recent work experience, better health, fewer children.**
- **Of those who had left TANF for at least 2 consecutive months, a third returned within 12 months.**
- **Those who left TANF were more likely to be employed than those who stayed on TANF, had higher wages, and more work hours per week. Wages and hours were highest for those who stayed off TANF for at least 6 months.**

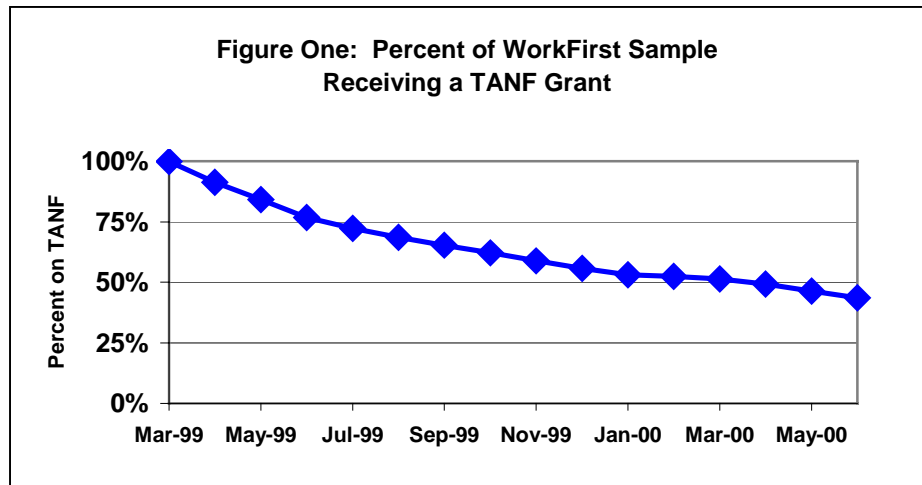
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The WorkFirst Study respondents were chosen from the March 1999 caseload. This report analyzes their experience with TANF prior to March 1999 and between March 1999 and March 2000.

All WFS respondents received TANF in March 1999, but by March 2000 only half of the sample were receiving TANF.

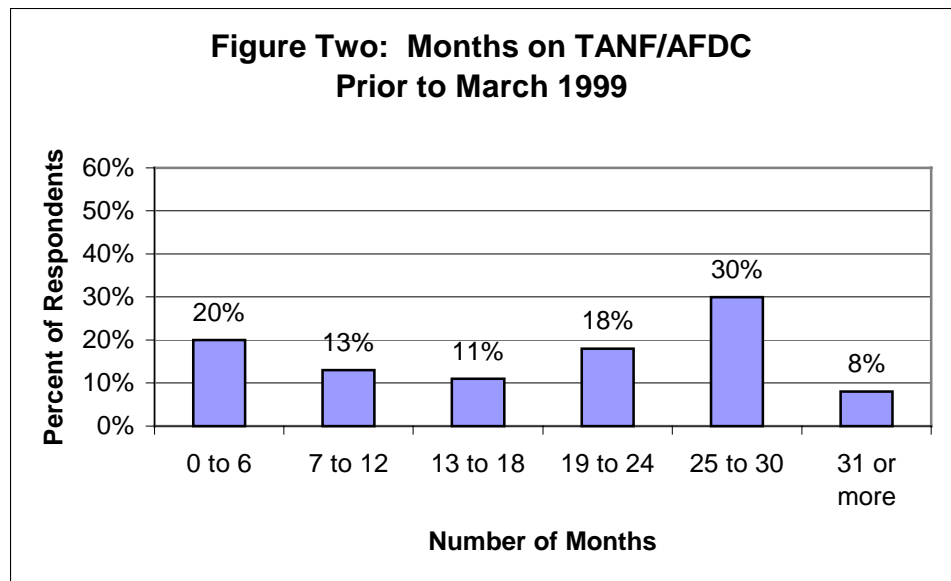
Figure One highlights the relatively quick transitions between times receiving and not receiving TANF.



TANF Experience before March 1999

Figure Two shows the cumulative number of months WFS respondents had received TANF prior to March 1999. About a third of Respondents fell into each of three categories: received TANF less than a year prior to March 1999, received TANF for 1 to 2 years, and 2 or more years. **On average, respondents had received TANF for about 18 months.**

Twenty percent of respondents had received TANF for 6 months or less. Only 8 percent had more than 31 months of TANF. The largest group of respondents had 2 to 2½ years of TANF (30 percent).



TANF Exits

Fifty-seven percent of WFS respondents left TANF for at least 2 consecutive months between March 1999 and March 2000. This rate of exit is almost double the rate found in the 1988 Family Income Study. Only 30 percent of respondents who were on welfare in March 1988 received welfare for less than twelve months of the next year.

On average, WFS respondents spent about 8 months on TANF out of the 12 months following March 1999. The 1988 Family Income Study respondents averaged 10.5 months in the first study year.

The characteristics for WFS respondents who stayed on TANF from March 1999 to March 2000 with those who left for at least 2 months and returned, and those who left and didn't return within 6 months are presented in the *Appendix Table* below.

Those who left TANF for at least 2 months had:

- **Fewer months on TANF**
- **Higher levels of education**
- **More recent work experience**
- **Better health and fewer work-limiting health conditions**
- **Fewer children and less likely to have child with chronic illness**
- **More likely to be two parent case**
- **More likely to be over 40 years old.**

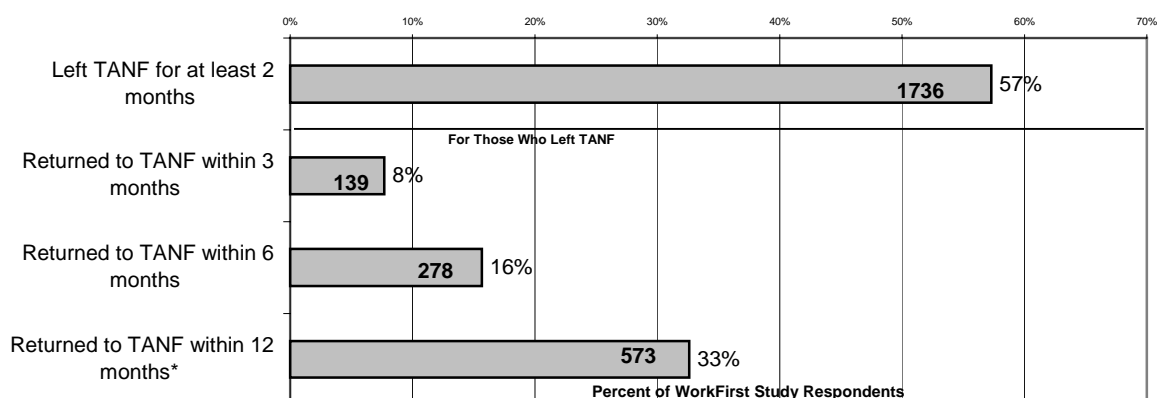
TANF Returns

Among WFS respondents who left TANF for at least 2 consecutive months, 8 percent returned to TANF within 3 months, 16 percent returned within 6 months and a third returned within 12 months. However, some of these returnees received TANF only a short time before again leaving the rolls.

Compared those who left and returned, **WFS respondents who *stayed off*:**

- **Had Fewer months on TANF**
- **More education**
- **Fewer learning disabilities**
- **Fewer native English speakers**
- **Better health and fewer work-limiting health conditions**
- **Less use of marijuana or drugs**
- **Less use of mental health care**
- **More likely to have more than 1 child**
- **Older**
- **More likely to be white**

Figure Three: Exits and Returns to TANF After March 1999



The Role of Employment in TANF Exits and Returns

Employment was important in allowing WFS respondents to leave TANF and to stay off. **Most WFS respondents gave jobs and earnings as the reason that they left the TANF rolls (52 percent).**

Figure Four: Reasons for Leaving TANF

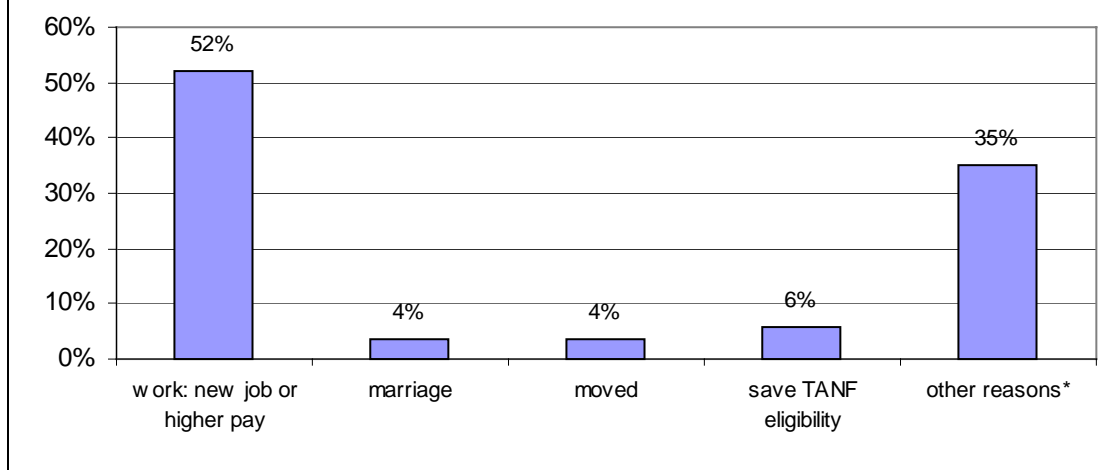


Table One shows employment and job characteristics by TANF experience since March 1999. **Most respondents who stayed on TANF were employed (65 percent), however, many more of those who left TANF for at least 2 months were employed (over 80 percent).**

Wages and hours per week were higher for those who left TANF than for those who stayed. They were highest for those who stayed off for at least 6 months. **Staying off TANF was associated with better jobs. Workers who stayed off TANF earned an average of \$8.01**

per hour, those who left and returned earned \$7.42, and workers who stayed on earned only \$6.86 per hour.

Paid leave was most common for those who stayed off (34 percent). Thirty-eight percent of those who stayed off had employer-provided health benefits, but only 27 percent of returnees and 20 percent of those who stayed on TANF.

Table One: Employment Since March 1999 by TANF Exit and Return

	On TANF all months	Off TANF, Back in 6 months	Off TANF For more than 6 months
% Employed since March 1999	65% **	81% **	84%
<i>Characteristics of Most Recent Job</i>			
Average Hourly Wage Rate	\$6.86 **	\$7.42 **	\$8.01
Average Hours per Week	28	31 **	34
% with Paid Leave	27% **	22% **	34%
% with Health Benefits	20% **	27% **	38%

** Indicates the average is statistically different from the next group.

Appendix Table: Characteristics of WFS respondents by TANF experience
March 1999 to December 1999

	On TANF		Off TANF,		Off TANF,
	all Months		back in 6		No return in
			mos		6 mos.
Number of respondents	1300		273		1470
TANF experiences before March 1999					
Average months on TANF	20.7	**	18.2	**	16.3
0 to 6 months	12%	**	19%	**	26%
7 to 12 months	11%		11%		14%
13 to 24 months	28%	**	36%	**	29%
25 or more months	48%	**	34%		31%
Human Capital					
No High School diploma or GED	29%		27%	**	20%
GED	18%		19%		15%
High School diploma	24%		24%		27%
Vocational certificate	9%		11%		12%
Some college	21%		19%	**	26%
Recent work experience	47%	**	58%		62%
Average months or work experience	2.57	**	3.33		3.64
Learning disability	10%		11%	**	6%
Attention deficit disorder	6%		8%	**	4%
English Speaker	94%	**	97%	*	94%
Convicted of felony	11%		9%		9%
Health					
Report fair or poor health	44%	**	36%	**	29%
Work limitation due to health	32%	**	20%	*	15%
Alcohol weekly or more often	6%		9%		8%
Marijuana use	11%		13%	*	9%
Illegal drug use	6%		8%	**	4%
Mental health care use	29%		31%	**	19%
Family characteristics					
Child under 3 years of age	36%		38%		36%
Average number of children	2.24	**	1.84		1.95
1 child	32%	**	48%	**	39%
2 children	34%	**	27%		32%
3 children	19%		15%		16%
4 or more children	14%	**	8%		9%
Child with chronic condition or illness	11%	*	8%		9%
Percent two parent cases	11%	**	17%		17%
Demographics					
Eastern rural	14%		13%		12%
Western rural	18%		17%		19%
Eastern urban	20%		20%		20%
Western urban	48%		51%		49%
Male	6%		5%		6%
Age under 21 years	4%		6%	**	4%
21-30 years	38%	**	48%		44%

Table One, Continued

	On TANF all Months	Off TANF, back in 6 mos	Off TANF, No return in 6 mos.
Demographics, Continued			
31-40 years	37%	35%	34%
41 or more years	21% **	11% **	18%
Average age	33.24**	30.77 **	32.28
White	72%	68%	** 75%
Latino	9%	11%	10%
African American	10%	11%	8%
Asian/Pacific Islander	2%	4%	3%
Native American	8%	8%	7%
Family Background			
Abused as child	37%	36%	34%
Abused as adult	51%	48%	43%
CPS intervention as child	11%	12%	9%
Pregnant as teenager	48%	48%	43%
Parent received welfare while growing up	33%	34%	34%
Parent received food stamps while growing up	36%	36%	35%

** Indicates the average is statistically different from the average for those who left TANF and did not return for 6 months.